

SOCIAL FACTORS INFLUENCING THE SMARTPHONE PURCHASE AMONG THE GENERATION Z

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ABSTRACT

This study explains the social factors influencing the generation z to purchase smartphones. The objective of this study is to assess whether social factors such as parents, friends and social needs influence the generation Z to purchase the smartphone. The smartphone is a mobile telephone which offers superior technology with functionality similar to a personal computer. This handheld device becomes an inevitable part of life, especially among the youth. The perception of young adults regarding smartphones is progressively becoming an issue of study as understanding the decision-making process is cumbersome. Hence marketers are interested to target next-generation customers' i. e. Generation Z and holds more potential as far as marketing is concerned. This investigation is conducted among students of selected high schools and higher secondary schools in the Muvattupuzha Educational District, Ernakulum. A questionnaire-based survey was used and 600 sets of questionnaire were distributed to students. A multistage random sampling method was adopted for data collection. The methods used for the analysis include percentage analysis, multiple regression and Pearson correlation. The study was limited to high school and higher secondary students in the Muvattupuzha Educational District. From the findings, the researcher concludes that all the three factors parents, friends and social needs influenced the students to purchase the smartphone. The study concluded that the influence of parents was more among students to purchase the smartphone. The study was significant to smartphone manufacturers to understand the requirements of the techno-savvy generation and accordingly plan their marketing communications strategy.

KEYWORDS: Smartphones, Generation Z, Social Factors, Social Need & Purchase Influence

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INTRODUCTION

In this digital life of society, the interaction and interdependence between technology and human is accrual. The smartphone is such a connected device for interaction with other people. The progressive use of this smart device in mediating communication helps the generation Z to connect to the world. As they are more sociable and techno-savvy, it is used for their personal, academic as well as organizational use. The smartphone is a ubiquitous and omnipresent device used to interact with friends, share our favorite content, find new information and ultimately disseminate our opinion on anything and everything. According to a new study by US-based media agency Zenith, there is a rise in smartphone ownership globally, China will have the highest number of smartphone users, 1.3 billion, followed by India with 540 million users by 2018. The US will be a distant third with 229 million users. According to a survey conducted by Nielsen (2007) informative mobile insights Indians are increasingly taking to smartphones and with almost half of the users younger than 25.

Smartphones are the new windows for generation Z and they look through them to see the world. Generation Z was born from the mid-1990s to the late 2000s. They are digital natives and have never known a world without smart phones. They spend between six and nine hours a day absorbing media, according to a survey from Common Sense Media. Among teens, 92 percent go online daily, Pew Research reports. Their preferred mode of communication is digital, primarily through social media and texting.

Because of its popularity, the sales are climbing in every market especially in India. Various factors such as personal, social, technological influence the purchase decision of youngsters. Marketers find it difficult to understand the complex buying behavior. As the generation Z characteristics are social in nature, the influence of social factors, social needs has a major role. A person often buys an item because it fulfills the desire to be acknowledged for it by family, peers and other people he is related or affiliated with. Social influence means one person causes in another to make a change on his/her feelings, attitudes, thoughts and behavior, intentionally or unintentionally (Rashotte, 2007). Social influence includes the influence of media, parents, peers (Nelson & McLeod, 2005). The need for social interaction with others refers to the social need to fulfill through communication with friends, family, and affiliates such as a group member, clubs, and work (Tikkanen, 2007). Social need includes love, attention, belonging and acceptance (Schiffman, 2009).

The first sub-variable for the students would be friends and family as they strongly contribute to the choice of smartphone. Purchase influence refers to the tendency for the customer to take actual purchase action. Purchase influence shows one's willingness to purchase a product and his/her assessment of alternative option based on preference, experience, and external factors. (Zenithal, 1988). As society became so pervasive, it's no surprise that our digital lives and real lives are intertwined. Understanding the generation Z consumer segment is vital for mobile technology related industries due to its spending power and heavy usage of mobile devices and service.

NEED FOR THE STUDY

Generation Z customers are the next generation powerhouse for the marketers. Since smartphone technology is rapidly evolving among youngsters the study is critical to understand the influence of social factors and social needs which influence the generation Z customers as they are having a large number of population and has more purchasing power. As a result, it is vital for the marketers the major social factors influence the young adults to purchase the smart device to sustain in the market and to gain market share.

MAIN OBJECTIVES OF THE STUDY

The main objectives of the study are as follows:

- To identify the most influencing social factor among generation z to purchase the smartphone.
- To analyze the influence of social factors and social needs on the purchase decision of the smartphone.

HYPOTHESIS OF THE STUDY

The null hypothesis are:

H₀₁: There is no significant relationship in respect of social factors towards generation Z to purchase the smartphone.

H₀₂: There is no significant influence in respect of social needs towards generation Z to purchase the smartphone.

REVIEW OF LITERATURE

Karem Lim Lay-Yee et al., (2013) in their study investigated the purchase decision of Malaysian generation and its association with brand concern, convenience, social influence, dependency, price and product feature. A total of 125 samples was collected by using the survey method. The results of the study revealed that there is a significant relationship between all variables with the purchase decision.

Norazah Mohd Suki (2013) in his study examined structural relationships of product feature, brand name, price and social influence with demand for smartphone among Malaysian students. The sample size of 320 has taken which include university students of the public learning institutions, Malaysia. The results of the paper highlight that the brand name and social influence have an effect on the increasing demand for the smartphone.

Imtiaz Arif & Wajeehas Aslam (2014) conducted a study on the effect of social needs, social influence, and convenience of university student's dependence on smartphones and its purchase behavior. The survey method was used to collect data from 337 respondents. The findings of this research study reveal that social needs, social influence, and convenience affect students' dependence on the smartphone.

Kaushal, & Rakesh Kumar (2016) studied factors affecting consumers purchase influence of a smartphone. The study also attempted to know if there is any significance among gender of the consumers. The study included factors like social influence, relative advantage, dependence, compatibility, convenience, price, product features and brand. The sample size of respondents has taken 159 among the students and young professionals residing in the city of Lucknow. The study concluded that social influence and dependency were the most significant factors motivate the consumers to purchase the smartphone. It also has shown that generally male and female considers all factors except the convenience factor.

Ayodele et al., (2016) in their empirical study investigated the determinants of smartphone purchase behavior among young adults in Anombra, state Nigeria. Brand name, social influence, price and aesthetic value are the independent variable and purchase intention was the dependent variable. Quota sampling technique was employed in the study. The study revealed the fact that aesthetic value was the most significant factors influence the young adult to purchase the smartphone.

Mei Mei Lau et al., (2016) in their study examined the factors influencing purchase intention of the smartphone in Hongkong. A sample of 150 full-time undergraduate students was selected for the survey. The study concluded that perceived usefulness, perceived use, perceived enjoyment and perceived value are the factors influence purchase intention of young consumers.

Amanjot A Kaur Gill (2016) in his study investigated the external and internal variables which aid in influencing the young purchaser to acquire the smartphone. Primary data were collected through a structured questionnaire. The sample size of 100 was taken. The study revealed that brand name, previous user satisfaction and after sales service had a strong impact on the smartphone buying decision.

Marian Mocan et al., (2017) evaluated whether social needs, convenience and other factors which influence the students in purchasing smartphones. The questionnaire survey was conducted with 500 students of the polytechnic

university of Timisoara, Romania. The results of the paper highlight that social needs have the greatest effect on students influence on the smartphone. The study concluded that there is a relationship that develops between students' behaviour and technological progress.

RESEARCH METHODOLOGY

A total of 600 completed and usable questionnaires were received from the respondents who comprised high school and higher secondary students in Ernakulum District, Kerala. Among the four educational districts in Ernakulum, Muvattupuzha educational district was selected for study. A multi stage random sampling method was utilized where every unit in the population had an equal chance to be selected. To be selected as a respondent in this study, the respondents were required to have a smart phone. The questionnaire used a five-point Likert scale with values ranging from 1 (strongly agree) to 5 (strongly disagree). A descriptive research method was applied to determine whether the independent variables (i. e. social needs and social factor) significantly affect dependent the variable (purchase influence). Descriptive statistics such as percentage analysis was used to assess the demographic profile of the respondents to make the analysis more meaningful, clear and easily interpretable. Inferential statistical tools such as regression and correlation were applied for analysis by using SPSS 17.

DATA FINDINGS AND DISCUSSIONS

Descriptive statistics and Inferential Statistics techniques were used for statistical analysis.

Descriptive Statistics

In descriptive statistics, percentage analysis covering demographic profile, money spent for purchasing smartphones, and brand preference have been analyzed. The results are tabulated below:

Table 1: Percentage Analysis on Demographic Profile of Respondents

Sl. No.	Groups	Class	Frequency	Percentage	Cumulative Percentage
1	Gender	Girls	300	50.0	50.0
		Boys	300	50.0	100
		Total	600	100.0	
2	Age	15 years	171	28.5	28.5
		16 years	183	30.5	59.0
		17 years	204	34.0	93.0
		18 years	42	7.0	100.0
		Total	600	100.0	
3	Education Level	Plus One	155	25.8	25.8
		Plus two	257	42.8	68.7
		Tenth	188	31.3	100.0
		Total	600	100.0	
4	Occupation of Parent	Private Sector	186	31.0	31.0
		Public Sector	169	28.2	59.2
		Self-Employed	226	37.7	96.8
		Unemployed	19	3.2	100.0
		Total	600	100.0	
5	Monthly Income of Parent	Above Rs10000-Rs.20000	240	40.0	40.0
		Above Rs.20000-Rs.30000	203	33.8	73.8
		Above Rs.30000	80	13.3	87.2
		Up toRs.10000	77	12.8	100.0
		Total	600	100.0	

The gender of respondents is equally considered to represent 50% each for boys and girls. The majority of them were in the age of 17 (34 %), followed by age in 16 (30.5%). The majority of the respondents were either plus two students (42.8%) or tenth students (31.3%). Accordingly, the majority of the respondent's parents are Self –employed (37.7%) followed by the private sector which was (31%). Moreover, there are few respondents' parents considered as unemployed (3.2%). If we look at the parent's income, 40% of the respondent's parents earn income above Rs.10, 000-Rs.20, 000 followed by 33.8% which represents the parent's income above 20,000-30,000.

Table 2: Money Spent for Purchasing Smartphone

Amount Spent in Rupees	Frequency	Percent	Cumulative Percent
Above Rs.10000-Rs.20000	402	67.0	67.0
Above Rs.20000	42	7.0	74.0
Above Rs.5000-Rs.10000	153	25.5	99.5
Up to Rs.5000	3	.5	100.0
Total	600	100.0	

The majority (67%) of students' parents spent above Rs.10000-Rs.20000 for purchasing the smartphone for their children. This indicates the average amount which the parents spent in purchasing the smartphone for their Children would be between Rs.10000 and Rs.20000.

Table 3: Brand of Smartphone Owned by Students

Brand	Frequency	Percent	Cumulative Percent
Apple	4	.7	1.0
Asus	7	1.2	2.2
Gionee	14	2.3	4.5
Honor	26	4.3	8.8
I bell snap	1	.2	9.0
Lenovo	4	.7	9.6
Micromax	7	1.2	10.8
Motorola	15	2.5	13.3
Nokia	10	1.7	15.0
Oppo	115	19.1	34.1
Xiamoi	130	21.6	55.6
Samsung	216	35.9	91.5
Vivo	51	8.5	100.0
Total	602	100.0	

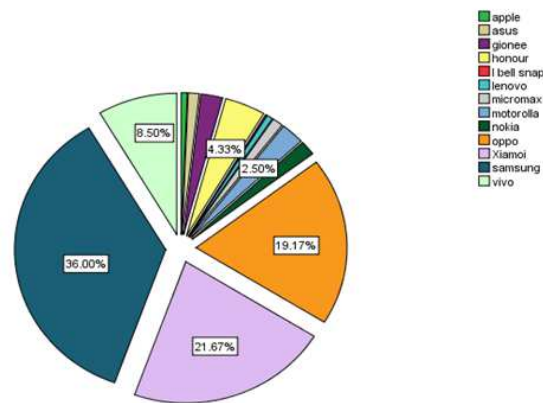


Figure 1: Brand of Smartphone Owned by Students

The above pie chart exhibits the brands of smartphone owned by the students. Accordingly, 36 % of the respondents with overwhelming majority currently use Samsung smartphones followed by Xiaomi (21.67%), Oppo (19.17%) and other brands.

Table 4: Cronbach's Alpha Reliability Analysis

Constructs	Cronbach's Alpha	No of Items
Friends	.804	6
Parents	.716	6
Social Needs	.746	10

Cronbach's alpha value was measured as part of reliability check and for internal consistency of the constructs. The same has been mentioned in table 4 above. Whereby a higher value of above 0.70 indicated that the variables were reliable while the values above 0.9 are regarded as the most reliable but anything below 0.70 was regarded inconsistent with the reliability scales (Nunnally, and George & Mallery, 2003) who suggested that in order for a scale to be reliable, the Cronbach's alpha value should be above 0.70. Thus the construct measures are deemed reliable.

Inferential Statistics

As part of inferential statistics, Pearson's correlation and multiple regression analysis have been conducted and the results are tabulated below:

Pearson's Correlation Analysis

Table 5: Correlations Analysis between Variables

		Friends	Parents	Social Needs	Purchase Influence
Friends	Pearson Correlation	1	.427**	.348**	.565**
	Sig. (2-tailed)		.000	.000	.000
	N	600	600	600	600
Parents	Pearson Correlation	.427**	1	.273**	.630**
	Sig. (2-tailed)	.000		.000	.000
	N	600	600	600	600
Social Needs	Pearson Correlation	.348**	.273**	1	.313**
	Sig. (2-tailed)	.000	.000		.000
	N	600	600	600	600

Table 5: Contd.,					
Purchase Influence	Pearson Correlation	.565**	.630**	.313**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	600	600	600	600

** . Correlation is significant at the 0.01 level (2-tailed).

Table 4 shows the correlation between three variables such as social factors like Parents, Friends and Social needs all the three factors have the positive influence and the significant impact on the consumers purchase influence. However, the correlation degree among the three factors with each other depends on the highest correlation value of Parents (0.630), followed by friends (0.565), and social needs (0.313). From the results seen above, it is evident that the influence of parents is the most significant social factor while purchasing smartphones among students.

Multiple Regression Analysis

With reference to Weiers (2008), a multiple regression analysis is an analysis which involves one dependent variable and two or more independent variables. In other words, it is an analysis of association in which the effects of two or more independent variables on a single, interval-scaled dependent variable are investigated simultaneously (Sigmund et al., 2010).

In our study, there are three independent variables, namely social factors such as parents, friends and social needs influencing consumers to purchase the smartphone. Multiple regression is used in order to test the influence of these variables on the purchase.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.713 ^a	.508	.506	3.23622	1.360

a. Predictors: (Constant), Social Needs, Parents, Friends

b. Dependent Variable: Purchase Influence

From the table 6 above, the value of R Square is found at 0.508, which indicates that 51 % variance in buying decision of consumers can be predicted using the above mentioned three variables in this study. Accordingly, there are other variables that influence buying decision of consumers by remaining 49 %. Durbin Watson statistic is a number that tests for autocorrelation in the residuals from the statistical regression analysis. It shows that the value is within the acceptable limit (1-3), Durbin & Watson (1951).

Table 7: Anova Test Results

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6446.488	3	2148.829	205.175	.000 ^a
	Residual	6241.985	596	10.473		
	Total	12688.473	599			

a. Predictors: (Constant), Social Needs, Parents, Friends

b. Dependent Variable: Purchase Influence

The above table 7 shows that the given model is significant ($p < 0.05$) i. e. The regression model which trying to fit on the given set to establish the relationship between independent variables and the dependent variable is statistically significant.

Table 8: Regression Analysis Results

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.038	1.008		1.029	.304		
	Friends	.355	.034	.344	10.424	.000	.759	1.317
	Parents	.514	.036	.465	14.477	.000	.800	1.250
	SocialNeeds	.054	.025	.066	2.142	.033	.860	1.163

a. Dependent Variable: Purchase Influence

The coefficients shown in the table 8 above, the standardized (Beta) and unstandardized (B) for each independent variables along with the t-test values with corresponding p-values. VIF values for all independent variables are below the threshold values 10 as suggested by Bowerman & O'Connell (1990) & Myers (1990), therefore the data are free from the problem of multi-collinearity.

The significance value of three independent variables include social factors such as parents (.000), friends (.000) and social needs (.033) are less than 0.05. Hence all the null hypotheses (H_{01} & H_{02}) are rejected.

The test confirms that all three independent variables are significant factors which influence the consumer to purchase smartphones. The parent's suggestions are the most influencing factors among students to purchase smartphones.

LIMITATIONS OF THE STUDY

The present study was confined to school students only and also limited to, schools under Muvattupuzha Educational District, Ernakulum. Further, the data collected from the samples may not be completely appropriate. The study was limited to, social factors influencing purchase decisions.

CONCLUSIONS

The study reviewed the various literature and has investigated the different variables that influence the purchase of the smartphone. The study considered social factors as the characteristics of generation z consumers are socializing. Younger consumers were researched believing that they are potential consumers of the smartphone and are of vital importance for marketers in short-term as well as long-term. The result after analyzing the findings based on the survey shows that the majority of the parents spent above Rs.10, 000-Rs.20, 000 for purchasing the smartphone for their children. This finding helps the marketers to concentrate on the price range where parents of generation Z preferred while purchasing the smartphone for their children. A clear majority of the students own Samsung followed by Xiaomi.

The study also examined social factors and social needs that influence the generation Z to buy the smartphone. The findings of the study revealed that Friends, Parents and Social needs have the significant influence on purchase decision for generation z consumers. The key findings of the study revealed that parents have the strongest influence on the students to purchase smartphones, followed by friends. The results of this paper can give new market dynamics to the smartphone manufacturer for a market that is sociable.

SCOPE FOR FUTURE RESEACRH

It would be very interesting to conduct another study within the same area of research with the incorporation of all the age groups among generation z and include all the factors influencing them to purchase a smartphone which will give the more integrated result to the topic.

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